

Message Text

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ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05

L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15

STR-07 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15

NSCE-00 SSO-00 ICAE-00 INRE-00 DOEE-00 /108 W

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O 251753Z APR 78

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 8847

INFO AMEMBASSY TOKYO

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USMTN

PASS STR ELECTRICALLY

FOR AMBASSADORS WOLFF AND MCDONALD FROM CULBERT

E.O. 11652:N/A

TAGS: MTN, ETRD

SUBJECT: MTN NEGOTIATIONS WITH JAPAN

1. IN MEETING WITH JAPANESE DELEGATES UKAWA AND ENDO TODAY, MCNAMARA AND I FOUND THAT THE JAPANESE TEAM HERE IS IN THE DARK ABOUT BOTH THE TIMING AND GENERAL NATURE OF RESPONSE WE CAN EXPECT TO OUR SUPPLEMENTARY REQUESTS FOR IMPROVEMENTS IN JAPAN'S OFFERS. THEY CLAIM THEY HAVE BEEN UNABLE TO REACH THEIR NORMAL BACKSTOPPING OFFICERS IN TOKYO BY PHONE FOR SOME TIME AND HAVE AN UNEASY FEELING THAT THE SITUATION IS DRIFTING IN TOKYO WITH NO ONE REALLY KNOCKING HEADS TOGETHER WITHIN GOJ TO COME UP QUICKLY WITH A RESPONSE. THEY SAY USHIBA WILL BE ACCOMPANYING FUKUDA ON WASHINGTON VISIT MAY 4 AND EXPECT AMBASSADOR

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STRAUSS AND MINISTER USHIBA WILL MEET SEPARATELY, BUT THEY HAVE SEEN NOTHING IN THEIR TRAFFIC TO INDICATE INTERNAL WORK IS PROCEEDING AT A PACE THAT WOULD MAKE IT PLAUSIBLE TO EXPECT USHIBA TO HAND OVER JAPAN'S RESPONSE TO OUR REQUESTS ON THAT OCCASION. THEY INDICATED SOME CONCERN THAT PREPARATION OF GOJ RESPONSE IS BEING HANDLED PRIMARILY AT WORKING LEVEL IN MITI AND MAF,

POSSIBLY WITH SOME INVOLVEMENT BY OFFICIALS AT DIVISION DIRECTOR LEVEL BUT CERTAINLY NOT AT BUREAU DIRECTOR-GENERAL LEVEL OR HIGHER. THEY ANTICIPATED THIS WAS LIKELY TO PRODUCE MINIMAL IMPROVEMENTS IN JAPAN'S OFFERS ACCOMPANIED BY LENGTHY TECHNICAL DEFENSE OF WHY JAPAN CANNOT DO MORE.

2. UKAWA CONFIRMED IT WAS HIS UNDERSTANDING (AS IT IS MINE) THAT USHIBA HAD AGREED WITH STRAUSS DURING THEIR APRIL 10 MEETING THAT U.S. AND JAPAN SHOULD ENDEAVOR TO REACH A BILATERAL SETTLEMENT OF ALL MTN ISSUES BETWEEN US BY JUNE 1. BOTH OF US EXPRESSED CONCERN ABOUT ADHERING TO THIS SCHEDULE UNLESS WE CAN FIND SOME WAY TO ACCELERATE NEGOTIATIONS. UKAWA SAID HE NEEDS SOME DEVICE TO TRIGGER POLICY-LEVEL DECISION IN TOKYO. I ASKED WHY STRAUSS-USHIBA AGREEMENT APRIL 10 TO FINISH OUR BILATERAL ISSUES BY JUNE 1 ISN'T ENOUGH. UKAWA OFFERED NO DIRECT REPLY BEYOND REPEATING HIS CONCERN THAT THE SUBJECT IS NOT GETTING ENOUGH HIGH-LEVEL ATTENTION IN TOKYO.

3. I SAID IF JAPAN'S RESPONSE WILL NOT BE TURNED OVER TO US ON MAY 4 IN WASHINGTON OR EARLIER IN GENEVA, THE MINIMUM STEP NEEDED TO RETAIN ANY CREDIBILITY FOR THE JUNE 1 BILATERAL SETTLEMENT OBJECTIVE WOULD BE TO HAVE A JAPANESE TEAM (EQUIPPED WITH A MANDATE TO NEGOTIATE A SETTLEMENT WITH THE U.S. COVERING NON-AG TARIFFS, NTMS, LIMITED OFFICIAL USE

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AND PRODUCT-SPECIFIC AGRICULTURAL REQUESTS AND OFFERS) IN GENEVA ON MAY 8 OR 9 PREPARED TO REMAIN FOR TWO OR THREE WEEKS, PERHAPS WITH ONE WEEK OFF IN THE MIDDLE. I SAID U.S. COULD PROBABLY MATCH JAPANESE TEAM WITH NECESSARY KEY COMMODITY/PRODUCT EXPERTS IN ORDER TO MAKE MAXIMUM USE OF THE MONTH OF MAY.

4. UKAWA SHARED MY OBJECTIVE OF TRYING TO BRING THINGS TO A HEAD BUT ASKED FOR A FEW DAYS TO MULL IT OVER (AND, WE BELIEVE, TO SOUND OUT TOKYO). HE PROBED FOR WHAT I THOUGHT WAS REALISTIC IN TERMS OF A BILATERAL "SETTLEMENT" BY JUNE 1, NOTING JAPAN'S INTEREST IN A WHEAT AGREEMENT WHICH CERTAINLY WOULD NOT BE IN PLACE BY JUNE 1 AND ALSO THE GAPS IN U.S. OFFERS (ASP, ETC.). I REPLIED THAT I WOULD NOT EXPECT EITHER SIDE TO BE READY TO SIGN OFF DEFINITELY BY JUNE 1 BECAUSE BOTH SIDES HAD TO TAKE INTO ACCOUNT WHAT OUR OTHER TRADING PARTNERS DO AND, SINCE U.S. WAS PROBABLY NOT GOING TO BE ABLE TO FILL THE GAPS IN OUR OWN OFFERS UNTIL EARLY JUNE, JAPAN WOULD CERTAINLY BE ENTITLED TO TAKE ANOTHER LOOK AT THE CALCULATIONS DEPENDING ON WHAT WE ARE ABLE TO OFFER ON ASP, FINAL LIST, ETC. HOWEVER, A REASONABLE OBJECTIVE FOR THE

MONTH OF MAY SHOULD BE TO REDUCE THE AREA OF DISAGREEMENT
BETWEEN US, HOPEFULLY TO A RELATIVELY SMALL NUMBER OF
"CRUNCH" ISSUES THAT WOULD PROBABLY HAVE TO BE REFERRED
TO HIGHER AUTHORITY FOR RESOLUTION, PRESUMABLY AT STRAUSS-
USHIBA LEVEL.

5. IF YOU SEE MERIT IN PUSHING JAPAN TO FIELD A TEAM HERE
WITH A MANDATE TO NEGOTIATE DURING MAY, I BELIEVE MY
PERSONAL APPROACH TO UKAWA WILL HAVE TO BE REENFORCED BY
AN APPROACH IN TOKYO AT SENIOR LEVEL OR VIA A STRAUSS-
USHIBA LETTER OR TELEPHONE CALL. CULBERT

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